CITY OF ETOBICOKE

1985 ANNUAL REPORT

87-00649/

Mayor's Message

I am pleased to present this copy of the City of Etobicoke's 1985 Annual Report. Whether you are a business person considering relocation or expansion, a potential investor wishing to do business with the City, or an interested ratepayer, this Annual Report demonstrates the financial benefits of being a part of the City of Etobicoke.

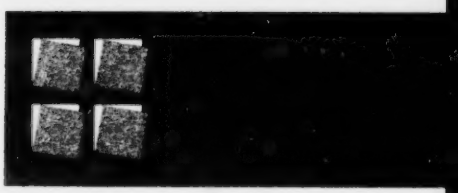
Our Council prides itself in providing high quality services in a well established community, located in the most prosperous area of Canada.

The City of Etobicoke is a well planned community, segregating residential from commercial and industrial areas to protect the interests of each. Growth and development remain a vital part of our future, however, rather than the frantic and uncontrolled expansion of some municipalities, our growth pace is a measured one, in keeping with our well established and mature environment.

This report is a reflection of the City's sound economic position which has been carefully developed through the years, ensuring an established base of businesses and industry, and unequalled life style opportunities for all its residents. This clearly demonstrates Etobicoke's credentials as a show place and the leading edge in Metro Toronto.

Bruce Sinclair, Mayor,
City of Etobicoke.

1985 Financial Highlights



	1985 $	1984 $
Total Taxable Assessment	1,215,266,787	1,203,048,112
Tax Levy for City Purposes	68,065,502	64,702,531
Tax Levy for All Purposes	343,276,884	319,310,142
Government Grants	19,499,468	16,914,269
Total Reserves and Reserve Funds	32,865,914	28,878,064
Current Taxes Receivable	7,963,994	9,378,713
Net Long Term Debt	24,021,616	26,383,898

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Treasurer's Report

I am pleased to submit the Annual Report for the City of Etobicoke, for the year ended December 31, 1985. The financial results express the City's commitment to fiscal responsibility and reflect a positive year in the management of Etobicoke.

A low annual inflation rate of 4% highlighted the economic climate of 1985. Etobicoke City Council managed to provide cost effective services below this rate of inflation. In fact, the 1985 local mill rate, indexed to the 1975 dollar, reflects a 21% decrease over the last 10 years.

Interest rates peaked in the first quarter and eventually stabilized below expectations at 9% in the third and fourth quarter. The failure of two Western Canadian Banks reinforced our commitment to a conservative approach to investment policies and procedures. Despite these restraints, we managed to surpass our investment income goals for 1985.

The Canadian dollar continued its decline on World Money Markets. The loss of purchasing power in relation to the U.S. dollar resulted in an increase in Etobicoke's debt charges. This increase represents the portion of long term debentures repayable in U.S. funds.

Commercial development was significantly higher than in previous years. The opening of the new Woodbine Centre, the expansion of Cloverdale Mall and numerous other commercial projects provided supplementary tax revenues in excess of 1985 expectations. This new assessment will provide additional revenue for 1986 and future years.

D.G. Deaves, C.G.A.
City Treasurer

An Introduction

Etobicoke has grown from a collection of pioneer settlers to a modern municipality of approximately 300,000, making it Canada's 11th largest City. This growth has resulted in a diversified community that has retained the values of the past.

Etobicoke has evolved from the gradual amalgamation of many smaller towns and communities such as New Toronto, Long Branch, Alderwood, Islington, Thistletown, and others.

Transportation has always been a significant factor in Etobicoke's development. The first highway was a waterway — the Humber River. Present day Etobicoke is served by criss-crossing patterns of provincial highways, numerous railway and commuter train lines, and Lester B. Pearson International Airport.

Etobicoke is one of the six area municipalities that has joined together to form the Metropolitan Toronto Federation. Each area municipality is responsible for certain community services such as local roads and sidewalks, recreation programs, fire protection and building inspections. Etobicoke's Mayor and four Controllers elected at large, sit on the Metropolitan Toronto Council which administers services of a more regional nature, which include water treatment, public transit, police protection, arterial roadways and social services.

Etobicoke is home for many of Canada's largest industrial corporations, world-class hotels, as well as two of the nation's most innovative shopping centres, Sherway Gardens and the recently completed Woodbine Centre. Plans are underway to add to the City's largest recreational area, the 500 acre Centennial Park facility, the country's first indoor water theme park.

NUMBER OF VOTERS IN THE TOWNSHIP OF ETOBICOKE FOR 1878.

Owners	388
Tenants	269
Farmers Sons	33
Total	690

Abstract of Receipts and Expenditures of the Township of Etobicoke for 1877.

Balance in Treasurer's hands from 1876	$2,055.39
Total receipts from Taxes and Miscellaneous items for 1877	9,605.87
Total disbursements for all purposes	10,186.97
Excess of Expenditure over Receipts for 1877	$581.10

JOHN C. FERRIER, AUDITORS.
WM. STONEHOUSE,

TAXES FOR 1877.

Township Tax	2,569.07
County Tax	1,904.62
Dog Tax	340.00
School Assessment	3,446.11
Total Taxes	$8,259.80

Extract from 1878 Historical Atlas of York County.

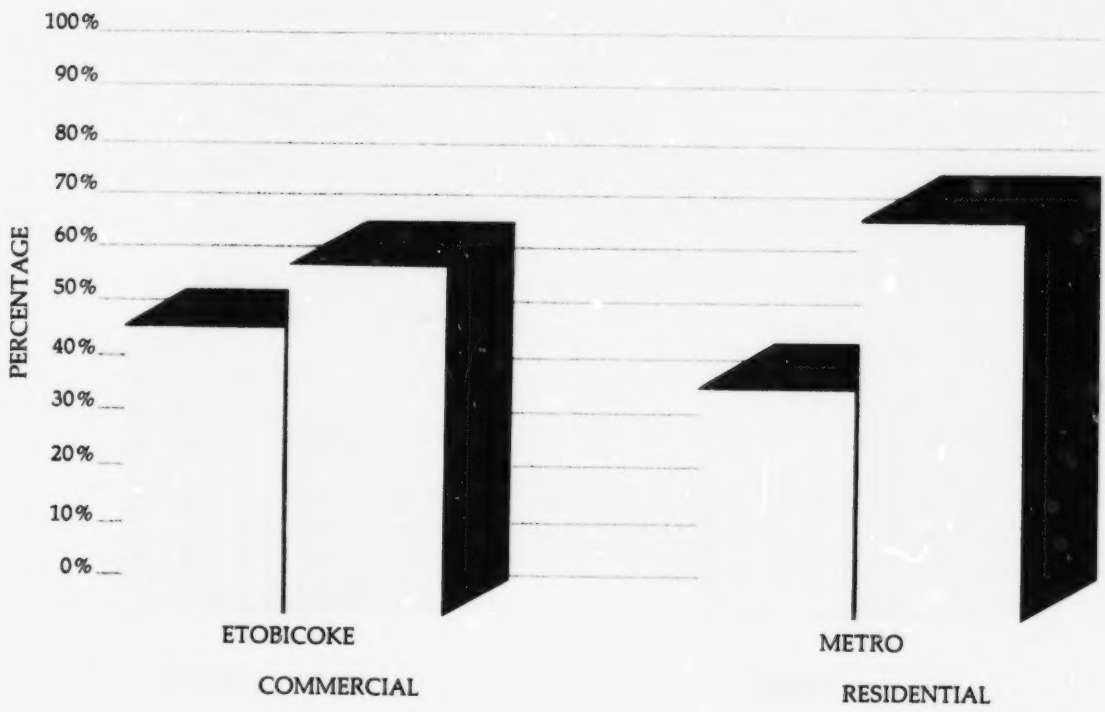
Assessment

Etobicoke's assessment base has grown at a steady rate of approximately 1% per year over the last few years.

It is recognized that a key element to a well balanced revenue base is a high commercial to residential mix. Etobicoke has been successful in achieving a favourable assessment mix. In 1985, the commercial assessment comprised 46% of the total assessment base, with the residential accounting for 54%. In comparison, the average Metropolitan Toronto assessment base was 33% commercial and 67% residential.

This demonstrates Etobicoke's ability to attract and maintain commercial and industrial development and provides an important contribution to the overall Metropolitan Toronto assessment base.

ASSESSMENT 1985
COMMERCIAL TO RESIDENTIAL

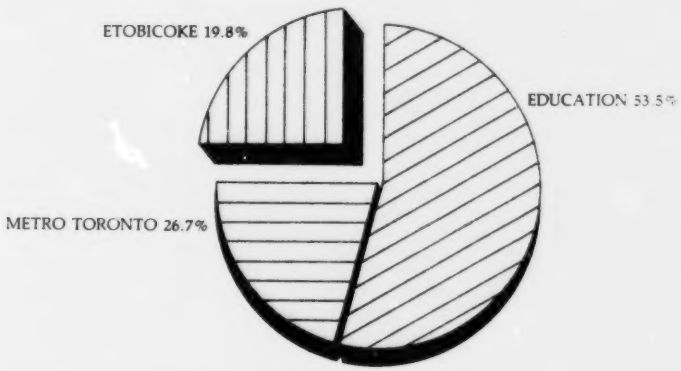


Mill Rates

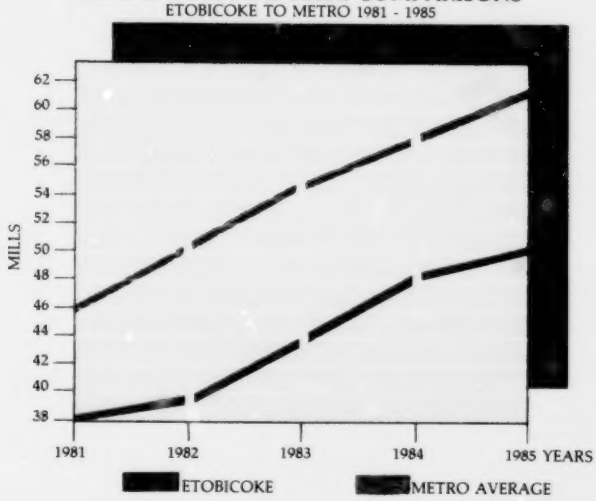
In 1985, the City of Etobicoke collected a total of $343.3 million in taxation revenue, of which only $68.1 million was retained for municipal purposes. The remainder was collected on behalf of Metropolitan Toronto and the School Boards.

If examined in terms of the total mill rate of 252.64 levied in 1985, the Education portion accounted for 53.5%, Metro's portion 26.7%, while Etobicoke's portion comprised only 19.8%.

ETOBICOKE TAX LEVY
1985 DISTRIBUTION



RESIDENTIAL MILL RATE COMPARISONS
ETOBICOKE TO METRO 1981 - 1985



Over the past several years, efforts to minimize mill rate increases have proven successful. In 1985, the City's mill rate increased by 3.8% while the Consumer Price Index rose by an annual average rate of 4.0%.

Further comparison places Etobicoke's mill rate of 50.08 significantly below the average Metropolitan Toronto rate of 61.57. This is a continuation of a trend that has been maintained over the years.

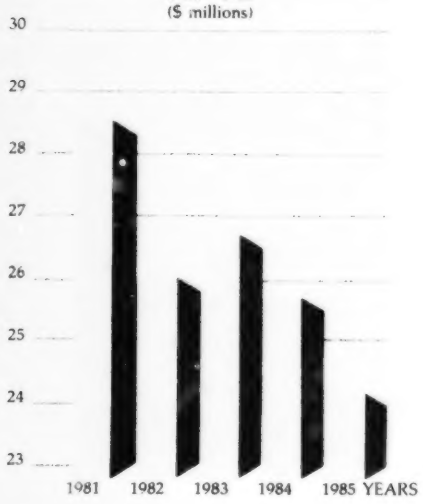
Management's commitment to cost control, coupled with strategies designed to maximize revenues, have assisted in providing taxpayers with low tax increases while maintaining the same high level of service.

Long Term Debt

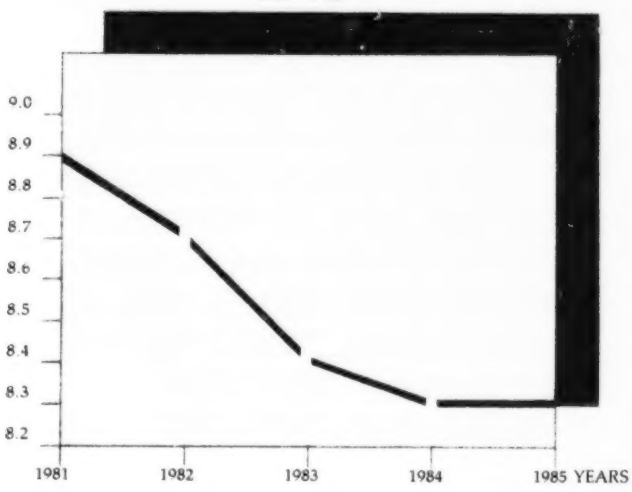
The City uses the sale of municipal debentures as a method of funding the construction of roads, sidewalks, underground services, major equipment purchases, new building construction, and, in recent years, the cost of installing energy efficient systems in municipal buildings. All projects and debts are approved by the Ontario Government through the Ontario Municipal Board. The Municipality of Metropolitan Toronto sells the debentures on behalf of the City of Etobicoke, leaving the City responsible for repayment.

Municipal debt outstanding as at December 31, 1985, was $24.0 million, which includes the proceeds of debentures issued in Canada, United States, and Europe. The United States market, however, has not been approached since 1981 due to the volatility of the U.S./Canada dollar conversion. The current preference is to issue debt for a ten year term, although five, fifteen and twenty year issues have been sold in previous years.

NET LONG TERM DEBT POSITION
1981 - 1985
($ millions)



DEBT CHARGES AS A % OF GROSS EXPENDITURE
1981 - 1985



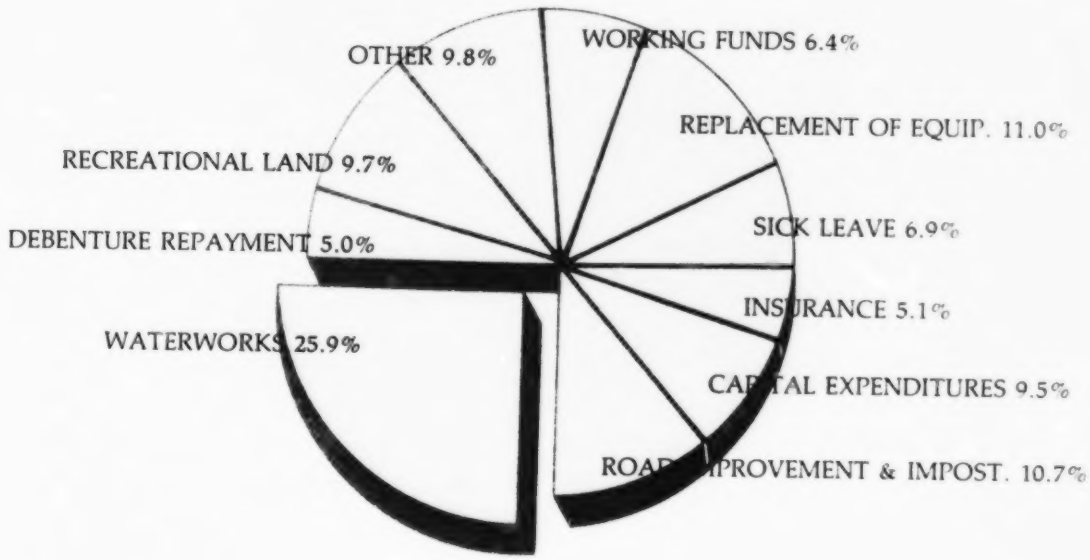
The City's net long term debt position has been maintained at a manageable level, and in recent years has experienced a slight decline.

Illustrated in a different manner, debt charges have decreased proportionately in relation to the gross expenditure of the municipality.

Reserves and Reserve Funds

The City has developed and maintained a healthy level of Reserves and Reserve Funds. In 1985, accumulated Reserves and Reserve Funds totalled $32.9 million, almost double the 1980 level of $17.6 million. This was achieved through a combination of effective management planning for future commitments and the designation of funds when opportunities arose.

RESERVES AND RESERVE FUNDS - 1985
FUNCTIONAL DISTRIBUTION



Sources of Financing

Residential Taxation	Based on Residential Mill Rates Applied To Assessment
Business and Commercial Taxation	Based on Commercial Mill Rates Applied To Assessment
Payments in Lieu of Taxes	Revenue From Federal, Provincial and Municipal Owned Properties
User Charges	Revenue from Licences, Permits, Rental Fees, Water Billings
Provincial Government Grants	Grants For Roads, Health and General Activities
Federal Grants	For Bridge Construction and Library
Investment Income	Interest On Short and Long Term Investments
Surplus	Excess Funds From 1984
Other Income	Penalties and Interest on Taxes, Developers' Contributions

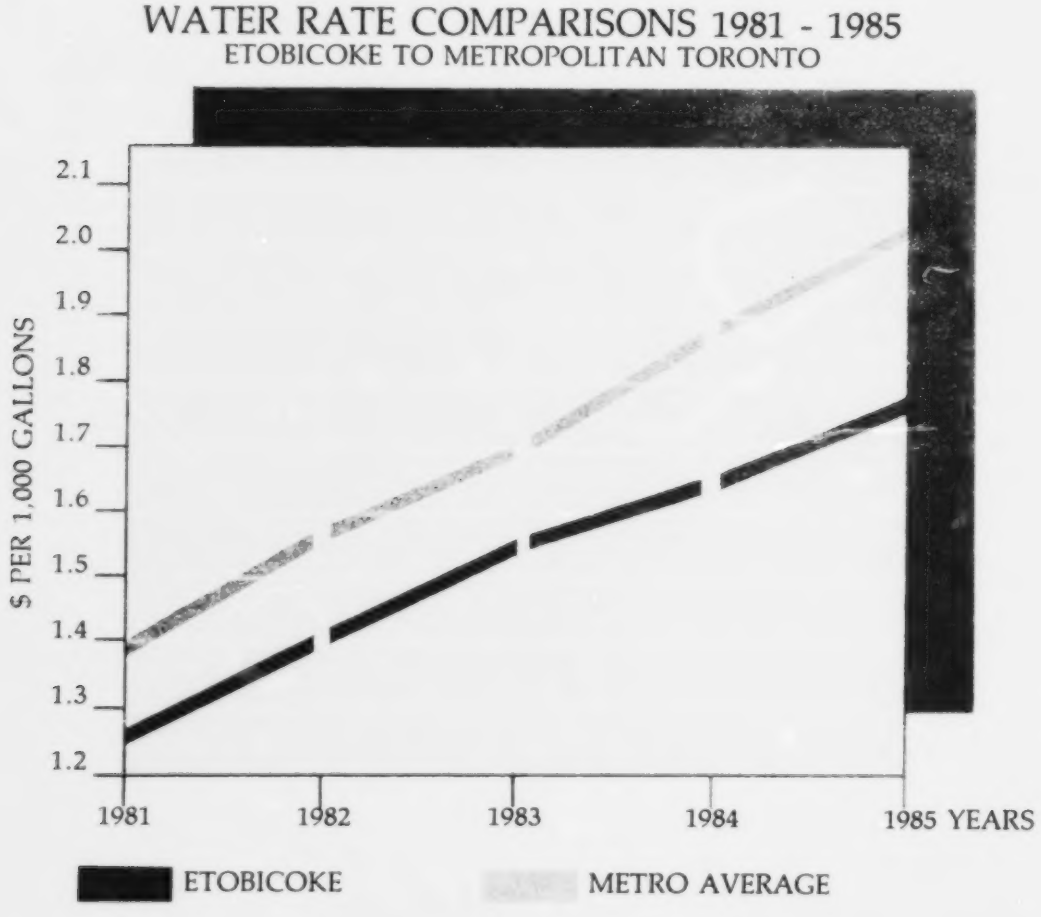
Application of Funds

General Government	General Municipal Administration
Protection To Persons and Property	Fire Department, Animal Control and Building Inspections
Transportation Services	Street Lighting, Snow Removal, Maintenance & Construction of Roads and Sidewalks
Environmental Services	Storm and Sanitary Sewers, Water Works and Garbage
Recreational and Cultural Services	Parks, Recreation, Library and Montgomery's Inn
Planning and Development	Planning, Zoning and Committee of Adjustment
Health Services	Public Health Services and Inspections

Water System

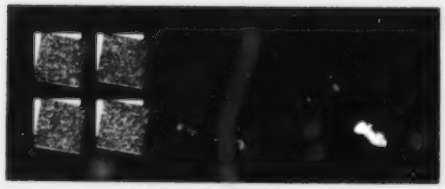
Metro municipalities purchase their water from the Metropolitan Toronto Department of Works and it becomes the responsibility of the City to distribute the water to its residents. This entails maintenance of 860 kilometers of watermains servicing 65,350 residential, commercial and industrial properties.

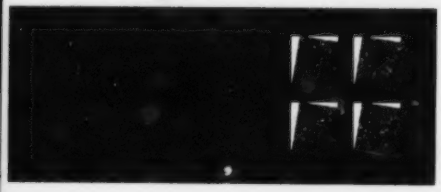
Etobicoke's water rate continues to remain below the average Metropolitan Toronto rate and, in recent years, the rate of increase has been in decline. In 1985, Etobicoke's water rate of $1.76 per 1000 gallons was significantly lower than Metro's average of $2.04.



To accommodate the consumer, as well as to provide more timely and accurate billings, the City is currently undertaking a program in which all inside meters will be replaced by outside remote installations. This program is being coordinated with a watermain replacement and relining project to ensure that the distribution network maintains its high quality.

City of Etobicoke Financial Statements for the Year Ended December 31, 1985





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Consolidated Balance Sheet

Assets	1985	1984
UNRESTRICTED		
Cash and term deposits	$ 9,263,309	$15,818,531
Taxes receivable	9,351,358	11,469,198
Water billings receivable	2,572,735	1,999,323
Accounts receivable	7,143,890	4,848,136
Inventories	954,816	1,213,152
Investments, Note (2)	1,163,809	1,176,762
Other assets	483,516	221,770
	30,933,433	**36,746,872**
RESTRICTED — RESERVE FUNDS		
Cash and term deposits	9,728,932	11,357,324
Other current assets	—	66,824
Investments, Note (2)	48,040	58,400
Long term receivables	2,072,434	3,961,037
	11,849,406	**15,443,585**
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS, Note (1)	24,021,616	26,383,898
	$66,804,455	**$78,574,355**
Liabilities		
CURRENT		
Accounts payable & accrued liabilities	$ 8,143,570	$ 8,193,701
Water purchases payable	3,385,383	2,835,010
Other current liabilities	1,788,187	1,640,703
	13,317,140	**12,669,414**
NET LONG TERM LIABILITIES, Note (4)	24,021,616	26,383,898
	37,338,756	**39,053,312**
Fund Balances at the End of the Year, Note (5)		
To be used to offset taxation or user charges in the following year	4,156,850	12,953,442
Capital operations not yet financed	(7,557,065)	(2,310,463)
Reserve funds	11,849,406	15,443,585
Reserves	21,016,508	13,434,479
	29,465,699	**39,521,043**
	$66,804,455	**$78,574,355**

See accompanying notes.

Consolidated Statement of Operations

Sources of Financing	1985	1984
CURRENT OPERATIONS		
Taxation and User Charges		
Taxation		
Residential and farm	$166,730,387	$156,326,845
Commercial and business	176,546,497	162,982,297
Other governments	11,818,670	11,004,176
User charges	37,830,567	35,127,984
	392,926,121	**365,441,302**
Less amounts received or receivable for:		
Metropolitan Toronto	(113,224,783)	(106,366,697)
School Boards	(185,515,994)	(169,057,008)
Net taxation and user charges	**94,185,344**	**90,017,597**
Government of Canada grants	14,683	638,537
Province of Ontario grants	11,742,170	11,676,230
Investment income	5,626,308	5,894,832
Other income	2,167,083	2,140,410
	113,735,588	**110,367,606**
CAPITAL OPERATIONS		
Government of Canada grants	3,379,715	—
Province of Ontario grants	4,359,054	4,519,502
Contributions from developers	153,136	130,754
Other income	275,786	—
Long term liabilities issued	1,843,958	4,842,932
	10,011,649	**9,493,188**
RESERVE FUND OPERATIONS		
Province of Ontario grants	3,846	80,000
Investment income	2,374,189	1,958,807
Contributions from developers	1,069,739	389,852
Sale of land	215,892	3,897,377
Other income	117,714	114,206
	3,781,380	**6,440,242**
NET APPROPRIATIONS FROM RESERVES	—	103,278
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR		
Revenue fund	12,953,442	10,937,503
Capital fund	(2,310,463)	(1,327,662)
Reserve fund	15,443,585	12,207,525
	26,086,564	**21,817,366**
TOTAL FINANCING	**$153,615,181**	**$148,221,680**

Consolidated Statement of Operations

Application of Funds	1985	1984
CURRENT OPERATIONS		
General government	$ 15,305,890	$ 13,460,005
Protection to persons and property	20,236,839	19,827,666
Transportation services	18,788,751	17,583,918
Environmental services	19,251,522	18,287,500
Health services	5,174,234	4,895,018
Recreation and cultural services	31,044,602	29,199,229
Planning and development	2,124,724	1,850,729
	111,926,562	**105,104,065**
CAPITAL OPERATIONS		
General government	1,150,582	1,717,851
Protection to persons and property	143,962	214,094
Transportation services	12,139,436	8,717,541
Environmental services	5,437,456	3,238,214
Recreation and cultural services	5,717,811	2,271,992
Planning and development	—	785,718
	24,589,247	**16,945,410**
RESERVE FUND OPERATIONS		
General government	713,963	85,641
Transportation services	179,251	—
Health services	21,543	—
Recreation and cultural services	153,395	—
	1,068,152	**85,641**
NET APPROPRIATIONS TO RESERVES	7,582,029	—
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR		
Revenue fund	4,156,850	12,953,442
Capital fund	(7,557,065)	(2,310,463)
Reserve fund	11,849,406	15,443,585
	8,449,191	**26,086,564**
TOTAL APPLICATIONS	**$153,615,181**	**$148,221,680**

See accompanying notes

Consolidated Schedule of Current Operations

	Budget 1985	Actual 1985
SOURCES OF FINANCING		
Net taxation and user charges	$ 91,752,440	$ 94,185,344
Grants		
Government of Canada	—	14,683
Province of Ontario	11,375,924	11,742,170
Other		
Investment income	5,012,500	5,626,308
Other income	1,900,000	2,167,083
Revenue Fund Balance at the beginning of the year	5,013,170	12,953,442
TOTAL FINANCING	**$115,054,034**	**$126,689,030**
APPLICATION OF FUNDS		
General government	15,118,244	15,305,890
Protection to persons and property	20,660,243	20,236,839
Transportation services	18,962,536	18,788,751
Environmental services	19,351,056	19,251,522
Health services	5,260,424	5,174,234
Recreation and cultural services	31,002,067	31,044,602
Planning and development	2,048,667	2,124,724
	112,403,237	**111,926,562**
Net appropriations to other funds	2,650,797	10,605,618
Revenue Fund Balance at the end of the year	—	4,156,850
TOTAL APPLICATIONS	**$115,054,034**	**$126,689,030**

See accompanying notes

Notes to the Consolidated Financial Statements

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipalities in Ontario as prescribed by the Ontario Ministry of Municipal Affairs under the authority of Section 84 of the Municipal Act and Part 2, Section 3, of the Municipal Affairs Act (R.S.O. 1980) and reflect the following policies as set forth in the Municipal Financial Reporting Handbook:

a) BASIS OF CONSOLIDATION

(i) CONSOLIDATED BALANCE SHEET

This statement reflects the assets and liabilities of the revenue fund, capital fund and reserve funds, and includes the activities of all committees of Council and the following local boards and municipal enterprises:
Etobicoke Library Board
Etobicoke Cemetery Board
Etobicoke Historical Board
Local Board of Health
Committee of Adjustment
Property Standards Committee
Committee of Management of the Etobicoke Olympium
Kingsway Business Improvement Area Board
Lakeshore Business Improvement Area Board
Etobicoke Water Supply System

(ii) CONSOLIDATED STATEMENT OF OPERATIONS

This statement reflects the consolidated sources of financing and expenditures of the revenue fund, reserves, reserve funds, and the capital fund of the municipality and those local boards and municipal enterprises described in note 1 (a) (i).

(iii) NON-CONSOLIDATED ENTITIES

The Etobicoke Hydro Electric Commission is not consolidated. Separate financial statements have been prepared.

(iv) Trust funds amounting to $1,370,638 (1984 - $774,898) and their related operations administered by the City are not consolidated. Separate financial statements have been prepared.

(v) The Consolidated Statement of Operations does not reflect the operations of the Municipality of Metropolitan Toronto or the School Boards except to the extent of amounts levied on their behalf by the City. Amounts levied over (under) their requirements are reported as other current liabilities (assets) on the Consolidated Balance Sheet.

b) BASIS OF ACCOUNTING

(i) Sources of financing and expenditures are reported on the accrual basis with the exception of principal and interest charges on long term liabilities which are charged against operations in the period in which they are paid. The principal and interest charges are not accrued for the periods from the dates of the latest instalment payments to the end of the financial year. Had provision been made for the accrual of interest on long term liabilities, the municipal fund balances as at December 31, 1985, would have been decreased by $1,074,587.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(ii) Capital Outlay to be Recovered in Future Years
The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Instead, the "Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Consolidated Balance Sheet.

c) BUDGET FIGURES

Budgets for Capital Funds and Reserve Funds are established on a job or project basis, the costs for which may be incurred over several years. They are not comparable with yearly expenditures and therefore are not reflected on the Consolidated Statement of Operations, which reflects only the consolidated current budget of the Revenue Fund.

2. INVESTMENTS

The total investments of $1,211,849 (1984 - $1,235,162), recorded on the Consolidated Balance Sheet at cost, have a market value of $1,278,157 (1984 - $1,257,254) as at the end of the year. Investments with a face value of $217,000 are due in 1986.

3. OPERATIONS OF SCHOOL BOARDS AND THE MUNICIPALITY OF METROPOLITAN TORONTO

The 1985 transactions relating to taxation for the school boards and the Municipality of Metropolitan Toronto as reported in Note 1 (a) (v) are as follows:

	School Boards	Municipality of Metropolitan Toronto
Taxation and user charges	$185,515,994	$113,224,783
Requisitions	185,516,389	113,221,604
Overlevies (underlevies) for the year	(395)	3,179
Overlevies (underlevies) at the beginning of the year	650	(1,954)
Overlevies (underlevies) at the end of the year	$ 255	$ 1,225

4. NET LONG TERM LIABILITIES

	1985	1984
a) The balance of net long term liabilities reported on the Consolidated Balance Sheet is made up of the following:		
The principal amount of debentures issued by Metropolitan Toronto for which the municipality has assumed responsiblity:	$46,828,305	$47,935,967
add:		
Mortgage payable by reserve fund	1,500,000	—
	48,328,305	47,935,967
less:		
The total value of sinking funds which have been accumulated to retire the outstanding long term liabilities	24,231,126	21,311,294
	$24,097,179	$26,624,673
less:		
The amount for which the responsibility has been assumed by individuals, in connection with shoreline property assistance loans	75,563	89,516
The amount for which the responsibility has been assumed by the Etobicoke Hydro Commission	—	151,259
Net long term liabilities at the end of the year	$24,021,616	$26,383,898

b) Of the net long term liabilities reported in (a) of this note, $14,171,874 in principal payments are payable from 1986 to 1990, $4,858,854 from 1991 to 1995, and $103,196 thereafter, and are summarized as follows:

	1986 to 1990	1991 to 1995	1996 and Thereafter
From general municipal revenues	$12,237,294	$ 4,597,513	$ 103,196
From reserve funds	1,601,705	20,341	—
From consolidated local boards (libraries)	332,875	241,000	—
	$14,171,874	$ 4,858,854	$ 103,196

In addition, sinking funds are projected to earn $4,887,692 over the period of the debt.

c) Included in net long term liabilities is an amount of $5,829,423 payable in U.S. currency, which was converted into Canadian dollars at the rate prevailing when the liability was incurred. If the liability was converted into Canadian dollars at the exchange rate prevailing at December 31, 1985, the liability would be increased by $1,520,324.

d) Approval of the Ontario Municipal Board has been obtained for the long term liabilities reported on the Consolidated Balance Sheet, for the pending issues of long term liabilities and for those commitments to be financed from revenues beyond the term of Council, with the exception of the $1,500,000 mortgage payable in (a) above, for which funds have been provided in the Public Lands Reserve Fund.

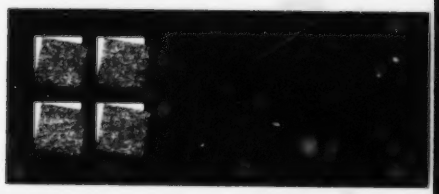
e) Total charges for the year for net long term liabilities which are reported on the Consolidated Statement of Operations, are as follows:

	1985	1984
Principal payments including contributions to sinking funds	$3,937,414	$4,193,886
Interest	5,050,652	4,856,855
	$8,988,066	$9,050,741

The charges for net long term liabilities assumed by the Etobicoke Hydro Commission, or by individuals in the case of shoreline property assistance loans, are not reflected in these statements.

f) Contingent liability
The municipality is contingently liable at December 31, 1985 for the following net long term liabilities which have been assumed by others:

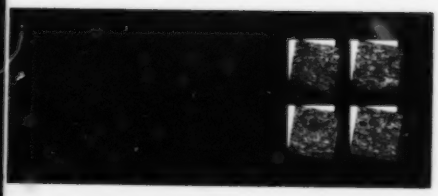
Shoreline Property Assistance	$ 75,563



5. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

The total fund balance of $29,465,699 at December 31, 1985 on the Consolidated Balance Sheet is comprised of:

	1985	1984
Revenue fund		
Funds available for:		
— general reduction of taxation	$ 3,981,731	$ 4,901,961
— water supply system	—	7,942,229
— local boards	175,119	109,252
	$4,156,850	$12,953,442
Capital Fund		
Funds available for:		
— acquisition of fixed assets	$ 5,189,394	$ 5,142,235
Funds to be recovered from:		
— proceeds of long term liabilities	(12,238,667)	(6,894,209)
— taxation, user charges, reserves, reserve funds and other	(507,792)	(558,489)
	$(7,557,065)	$(2,310,463)
Reserves		
Equipment Replacement	$ 2,955,619	$ 3,244,601
General Repairs	366,614	368,562
Accumulated Sick Credits	1,893,403	2,286,681
Working Capital	2,100,000	2,100,000
Group Insurance Adjustments	1,185,228	1,185,228
Pension Funding	—	70,000
Liability Insurance	493,987	524,830
Workers' Compensation	763,817	869,965
Exchange on Debenture Payments	308,295	227,656
Elections	81,590	262,373
General Contingencies	1,266,478	797,523
Waterworks	8,526,877	648,060
Library Board	1,074,600	849,000
	21,016,508	13,434,479
Reserve Funds		
Required by Legislation		
Parks Acquisition	3,171,120	2,922,134
Parking	780,492	984,691
Ontario Home Renewal Plan	—	607,028
Set Aside By Council		
Acquisition or Improvement of City Property	2,726,075	6,843,052
Hospital Construction	194,242	197,852
Imposts	3,175,330	2,402,869
Road Improvement	340,928	419,195
Debt Charges Stabilization	1,461,219	1,066,764
	$11,849,406	$15,443,585



6. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the City of Etobicoke Sick Leave Benefit Plan, unused sick leave can accumulate and employees with ten or more years of service may become entitled to a cash payment on termination of employment.

The liability for these accumulated days, to the extent that they could be taken in cash by an employee on terminating, amounted to $10,248,920 at December 31, 1985 (1984 - $9,770,208).

Reserves for accumulated sick pay credits have been established by the City and the Library Board. The 1985 contributions from the Revenue Fund to these Reserves amount to $593,000. Charges to the Reserves to finance 1985 sick leave payments amounted to $943,278. The Reserve balances as at December 31, 1985 amounted to $2,268,403 (1984 - $2,704,681).

7. LIABILITY FOR PAST SERVICE PROVISION OF PENSION AGREEMENTS

Effective January 1, 1985, those employees who were members of the former Town of New Toronto Pension Plan and those who were members of the former Town of Mimico Pension Plan who were not firefighters, were transferred to the OMERS Pension Plan. All employees of the City of Etobicoke are now members of the OMERS Pension Plan. Liability for future pensions now rests with OMERS.

The various transfers to OMERS also involve transfers from various previously existing pension plans to OMERS on a continuing basis.

Annual payments in the amount of $1,158,092 are due to Confederation Life from 1986 to 1992 for funding of the City's previous pension agreement.

In addition, the City is responsible for blended payments of principal and interest to OMERS of $178,009 for the period 1986 to 1992, and $163,137 for the period 1993 to 1998 for unfunded liabilities which amounted to $1,314,124 at December 31, 1985.

The payments noted above will be provided for in the City's Revenue Fund Budget in the year of payment.

8. CONTRACTUAL OBLIGATIONS

a) The City has entered into a number of long term contractual agreements, obtaining Ontario Municipal Board approval where required. Expenditures related to these agreements are recorded in the year in which the payment is made. The following obligations are outstanding as at December 31, 1985:

(i) Computer equipment rental and maintenance for a three year period ending April 1, 1988, at a total remaining cost of $701,740.

(ii) Garbage collection, for an eight year period ending December 3, 1988, at a total remaining cost of $1,647,240.

(iii) Operating and servicing of 18 outdoor artificial ice rinks, for a five year period ending in February 1987, at a total remaining cost of $335,532.

(iv) Leasing of Silver Creek Junior Public School for Etobicoke Library purposes, for a five year period ending July 31, 1987, at a total remaining cost of $177,650.

(v) Leasing of Thistletown Middle School for a five year period ending August 31, 1990 at a total remaining cost of $367,010.

b) Fire Department Lieu Days Outstanding

Under the terms of the collective agreement with Etobicoke firefighters, certain personnel are entitled to lieu days instead of statutory holidays.

As at December 31, 1985, accumulated lieu days which had not been taken have been estimated to have a value of $604,960. This amount will be charged to the Departmental operations at the time taken, either in days off or cash on separation. No provision has been made for this liability.

9. INSURANCE

The City's insurance requirements are met through a combination of a self-insurance fund, group self-insurance with other participating Metropolitan municipalities, and coverage by an outside insurer group.

10. COMPARATIVE FIGURES

Comparative figures for the prior year have been restated where applicable to conform to current classifications.

Auditors' Report

To the Mayor, Members of Board of Control,
Members of Council, Inhabitants
and Ratepayers of
The Corporation of the City of Etobicoke

We have examined the consolidated balance sheet of the Corporation of the City of Etobicoke as at December 31, 1985 and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Etobicoke as at December 31, 1985 and the results of its operations for the year then ended in accordance with accounting principles prescribed for Ontario municipalities applied on a basis consistent with that of the preceding year.

Dixon, Gordon & Co.

DIXON, GORDON & CO.
CHARTERED ACCOUNTANTS

Licence Number 1079
Toronto, Ontario
March 21,1986

MEMBERS OF COUNCIL

Mayor Bruce Sinclair

Controllers	Dick O'Brien
	Lois Griffin
	Leonard Braithwaite
	Chris Stockwell
Councillors	Ward I
	Alex Faulkner
	Helen Wursta
	Ward II
	Julie Lyons
	David Lacey
	Ward III
	Ronald Barr
	Gloria Luby
	Ward IV
	Mary Huffman
	Alex Marchetti
	Ward V
	David Robertson
	Karen Herrell

DEPARTMENT HEADS

Building	Ron Browne
Clerk's	Roger Cloutier
Health	Dr. Al Egbert
Finance	David Deaves
Fire	Bryan Mitchell
Parks & Recreation Services	Tom Riley
Personnel	George Metcalfe
Planning	Barry Morrison
Works	Bruce Brunton

OTHERS

Committee of Adjustment	Deirdre Mungovan
Etobicoke Historical Board	Shirley Hart
Etobicoke Olympium	George McMorris
Etobicoke Public Library	Nancy Hall
Etobicoke Hydro Commission	Ron Willows
Etobicoke Board of Education	Silvio Sauro
Metro Separate School Board Etobicoke-York Region Office	Jack McCabe